

January 21, 2015

RECEIVED

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Cass County Commission 211 9th St S Fargo, ND 58108

CASS COUNTY COMMISSION

## Auditor

Re: Local Jurisdiction reassessment contracts

Michael Montplaisir, CPA 701-241-5601

Dear Board Members:

## Treasurer

Cass County has been encouraging local jurisdictions to have their property tax records modernized and to have their properties reassessed.

Charlotte Sandvik 701-241-5611

The jurisdictions listed below have agreed to a reassessment for 2017, with the work being performed in 2016. Cass County and the local jurisdictions will split the cost 50/50 with the local share being paid to Cass County over a period of 5 years. Listed below are the estimated total costs of the reassessment.

# Director of Equalization

50% Cost Jurisdiction Total Cost \$22,389 \$11,195 Page City Hunter City \$31,449 \$15,725 \$42,385 \$21,193 Harwood City \$5,014 \$10,027 Gardner City \$8,943 Normanna Twp \$17,885

Frank Klein 701-241-5616

The reassessments were originally budgeted for 2015, but due to scheduling conflicts, the work will not be performed until 2016.

I'm asking the Cass County Commission to enter into contracts with Vanguard Appraisals to perform the necessary work. This is the same firm that reassessed Kindred City a few years ago and has recently reassessed Reed Township. Cass County has also recently purchased appraisal software from the same firm.

Suggested Motion: "I move that the Cass County Chairman sign the Vanguard Appraisals Inc, Page City, Gardner City, Hunter City, Harwood City and Normanna Township reassessment contracts."

Sincerely,

Frank Klein

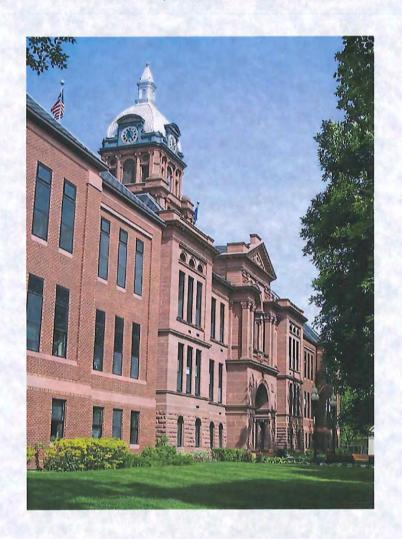
Cass County Director of Equalization

Box 2806 211 Ninth Street South Fargo, North Dakota 58103

Fax 701-241-5728

www.casscountynd.gov

CONTRACT AND
REAPPRAISAL SPECIFICATIONS
FOR THE REVALUATION
OF CERTAIN REAL PROPERTY IN THE
CITY OF PAGE, CASS COUNTY, ND





VANGUARD APPRAISALS, INC CEDAR RAPIDS, IOWA

## **CONTRACT SUBMISSION**

This contract is submitted this 20<sup>th</sup> day of November, 2014, by Vanguard Appraisals, Inc., executed by Robert P. Ehler, President.

Attached hereto are specifications for the revaluation of certain described property in Page, North Dakota, all of which are herewith a part of this contract.

All revaluation work shall be completed by January 15, 2017 in accordance with the attached specifications for the following prices.

Class	Price		
Residential Improved	\$138.00 Per Improved Parcel		
Commercial Improved Licensed Grain Elevators,	\$295.00 " " "		
Large Commercial & Industrial	\$1,850.00 Per Site		
Vacant Land	\$15.00 Per Parcel		

The terms of this contract, including all specifications, shall be firm for acceptance prior to February 20, 2015.

VANGUARD APPRAISALS, INC.

Robert P. Ehler, President

## CONTRACT

This agreement entered into	this day of	, 20, by
and between Page, Cass County, N	lorth Dakota, executed by the 0	Cass County Board
of Commissioners, First Party, and	Vanguard Appraisals, Inc., exe	cuted by Robert P.
Ehler, President, Second Party, as t	follows:	
That attached hereto a	are specifications for the revalu	ation of certain
described property in Page, North D	Dakota.	
2. That the First Party en	nploys the Second Party, and t	he Second Party
will perform all of the work describe	d in all of the documents referre	ed to in paragraph 1
hereof, in accordance with the term	s and conditions set out in said	documents.
3. That the First Party wi	ll pay the Second Party on a pe	er improved parcel
basis as set forth in item III of said s	specifications referred to in para	agraph 1 of this
contract, to be paid in accordance v	vith the terms of the documents	described in
paragraph 1.		
VANGUARD APPRAISALS, INC.	CASS COUNTY, NORTH D	DAKOTA

**BOARD OF COMMISSIONERS CHAIRPERSON** 

# REAPPRAISAL OF CERTAIN REAL PROPERTY IN PAGE, NORTH DAKOTA SPECIFICATIONS

#### I. PURPOSE OF APPRAISAL

This appraisal is made for the purpose of equalizing assessments in Page, North Dakota in compliance with the State Laws of North Dakota, and the rules and policies laid down by the North Dakota State Tax Department, as such laws, rules and policies shall exist on the date this contract is initiated.

The appraisal of all property shall be divided between land and buildings.

## II. TERMINOLOGY

The word "Company" as used in these specifications shall mean Vanguard Appraisals, Inc.

The term "Director" means the Tax Director of Cass County, North Dakota.

"Improved parcel" as used in these specifications shall mean a single tract of legally described land area containing one or more improvements.

"Vacant lot" as used in these specifications shall mean a tract of legally described land area containing no land improvements, paving or structures.

"Site" as used in these specifications shall mean any parcel or group of contiguous parcels that have been combined into one operational unit.

Licensed grain storage facility (defined as a property with a commercial grain license) sites shall consist of any parcel or parcels that operate as a single grain elevator. Large commercial or industrial sites shall consist of any parcel or parcels with a gross building area in excess of 50,000 S.F.

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Appraisal Manual. All company personnel shall familiarize themselves with this
manual and attain a full and complete working knowledge of its schedules,
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## V. <u>COMPUTER GENERATED VALUES</u>

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A perimeter sketch of each major building and residential dwelling shall be generated utilizing computer software compatible with the pricing software.

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The sketches will not include details such as interior offices, mezzanines, vertical wall diagrams; or yard items such as garages, sheds, paving, or fencing.

## VII. <u>DIGITAL PHOTOGRAPHS</u>

Each parcel of property covered under these specifications shall include as part of the property record, a digital color photograph of the principal building situated on the individual parcel.

The company shall be responsible for:

- 1. Purchase of digital camera.
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The County shall license VCS PhotoVision software under separate contract.

## VIII. OFFICE SPACE AND EQUIPMENT

The Director shall be responsible for all office space, desks and chairs for personnel of the appraisal company.

The appraisal company shall supply all computer hardware necessary for data entry during the term of the project and shall transfer all data files to the County's computer system upon completion of the project.

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## IX. RECORDS AND PLATS

The Director shall supply the company with updated and printed plat maps showing street names, subdivisions, block numbers, lot numbers and with lot dimensions displayed to scale at the beginning of the project for all platted areas within Page. The Director shall supply one overall map of Page showing street names in addition to the plat maps.

The County shall be responsible for the cost of all maps. Any omitted properties, discrepancies or new additions platted shall be brought to the attention of the Director and both parties shall strive to correct all irregularities.

The company shall not be responsible for deed research, drawing in/drafting new platted areas or resolving platting discrepancies.

The Director shall supply the company with property split/ combination information, building permit information, and/or property transfers each month during the project.

The Director shall provide ownership, legal description, parcel number, classification, land dimensions, and plats for property split/combinations or added properties.

All transfer records and plat books of the Director's office, auditor's office and recorder's office shall be available to the company. However, plat books or transfer records shall not be removed from any office without permission of the principal of the office. The company shall be directly responsible for the proper return of all records when removed from its respective location.

## IX RECORDS AND PLATS (Cont.)

The Director will provide the company with clear and readable photocopies of the existing property record cards for each parcel included in the reappraisal project. The company shall be permitted to input and/or transfer the perimeter sketch, measurements, ages, lot size, individual building construction data, and sales data from the photocopies of the existing property record cards provided by the Director. Parcel number, ownership, property address, legal descriptions and classification shall be transferred from the County computer system. Photocopies shall be of a quality acceptable to the company.

Said input and/or transfer work shall be performed at the company's home office. The County shall be responsible for transporting the photocopies of the existing property cards to the company home office.

If the County is unable to make photocopies the company shall do so for an additional hourly rate of \$40.00, plus the cost of shipping the records to and from the company home office.

#### X. SALES RESEARCH

The company shall conduct a sales study of each class of property included in the project prior to establishing any final appraisal values.

The company shall attempt to verify all sales data with the property owners as the project progresses.

Commercial properties shall also be researched from the income approach and correlated to sales prices when applicable. The Director shall be responsible for any mailing of operating statements.

## X. SALES RESEARCH (Cont.)

The Director shall make available to the company all available sales data and supply the company with copies of all new sales occurring during the course of the project.

## XI. <u>INDEX ESTABLISHED (LOCAL MODIFIER)</u>

When sufficient sales and cost data has been acquired, the company shall correlate current building costs with current selling prices of properties to establish the correct index percentage to the Vanguard Appraisals, Inc. Real Property Appraisal Manual.

## XII. LOTS AND LAND VALUATION

The company shall follow guidelines from the sales research data and shall establish front foot or square foot values for all small tracts and platted lots within the city of Page. The determined front foot or square foot values shall be entered on the computer and on the plat to be returned to the Director. All lot or tract dimensions shall be entered on the computer. From the frontage of each lot, the total lot value shall be determined. A predominant depth shall be set and tables in the manual shall be followed when applicable. Large tracts and lots shall be valued by the square foot or by the acre. All street, land, or lot frontage characteristics and irregularities shall be recorded and defined on the computer and adjustments applied where applicable.

## XIII. RESIDENTIAL VALUATION

A careful inspection shall be made by a qualified field enumerator who will verify the measurements of each structure and list all pertinent data on a field worksheet. Construction data will include items of construction such as foundation, basement area, exterior walls, roof type and roofing material, floors, attic and basement finish, number of rooms, interior finish, heating and air conditioning, fireplaces, and plumbing.

Residential depreciation schedules shall be prepared upon life expectancies of various types of construction. In application of depreciation, careful consideration shall be given to physical, functional and economic obsolescence.

Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures. On those properties where entrance cannot be gained due to the occupant not being home, not less than three attempts shall be made to gain entrance for inspection of the property. The date and time of each attempt shall be noted on the worksheet. The company shall strive to gain entrance to all properties but in no instance shall there be more than 30% (70% entry rate) of the improved properties estimated.

## XIII. RESIDENTIAL VALUATION (Cont.)

The inspection status shall be indicated on each field worksheet and limited to five (5) categories as follows:

- (1). Inspected (signature required)
- (2). Estimated (date and time of three (3) visits noted)
- (3). Outbuilding only
- (4). Refused inspection (Direct verbal or written refusal)
- (5.) Vacant dwelling

The rate of estimated properties is to be computed by dividing the number of estimated properties by the sum of estimated, inspected and refused inspection properties.

The company shall maintain records of the current overall estimated rate during the course of the project and submit a report to the Director upon request.

The Director shall be allowed to view any work in progress and to randomly verify, with the assistance of the job manager, with property owners that a complete inspection was performed and that measurements are correct.

At the completion of the field inspection, the field listing data shall be entered on the computer, priced using the Vanguard Appraisals, Inc. Real Property Appraisal Manual, and finally reviewed in the field by a review appraiser. See attached addendum no. Il for basic residential bid specifications.

## XIV. VALUATION OF COMMERCIAL

The same careful listing of the buildings by their component parts and use of depreciation schedules based upon construction life expectancies shall be adhered to as specified under "Residential Valuations".

The valuations of income producing properties, such as apartment buildings, which are largely dependent upon rental income for their value, shall be checked by the capitalization approach to value when applicable. Such income studies shall be for the purposes of estimating the amount of functional and economic obsolescence. The Director shall be responsible for mailing requests for operating statements. See attached addendum no. III for sketch specifications.

Machinery and equipment is not included as part of this contract.

The company shall strive to gain entrance to all properties but in no instance shall there be less than 80% entry. Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures.

The Director shall be allowed, at any time, to randomly verify with property owners that a complete inspection was performed and that measurements are correct.

## XV. VALUATION OF INDUSTRIAL PLANTS AND GRAIN ELEVATORS

Plot plans of the properties, showing buildings in proper location and size shall be provided when warranted. The buildings shall be described by their component parts individually, priced at current replacement cost, and depreciated according to age, condition and function.

Records shall be typed, summarized, indexed and bound at the discretion of the appraiser.

Machinery and equipment is not included as part of this contract.

## XVI. PERSONNEL

The company shall provide the services of personnel experienced and competent in the following fields:

Residential Land and Building Appraisals

Commercial Land and Building Appraisals

Industrial Land and Building Appraisals

A list of personnel working on the project shall be submitted to the Director, and this list will be kept current throughout the continuance of the project. The Director shall reserve the right to disapprove of the use of any person assigned and by written request require his/her removal from the project.

## XVII. INFORMAL PUBLIC REVIEW

The company shall hold informal hearings with taxpayers so that each property owner will have an opportunity to view and discuss his property values with well-qualified company appraisers and make comparisons with that of his neighbor or any like property.

These informal hearings shall be held in an area designated and provided by the Director. The Director shall cooperate by making a public notification of these meetings, in consultation with the company, and schedule the interviews with taxpayers. After the hearings, the Director shall be responsible for sending official notices of any changes prior to the meeting of the Board of Equalization.

Compensation for all informal hearing services shall be performed at the rate of \$120 per hour (including travel time from the company home office), expenses included.

#### XVIII. CHIEF APPRAISER

It is the intent of the County Director's office to provide full cooperation to the company in its endeavor to complete the revaluation. The Director is responsible for the assessment of all taxable property within Page. As such, all of the company's work product and valuations shall be subject to final review and determination by the Director, chief appraiser.

## XVIII. CHIEF APPRAISER (Cont.)

If the company has any procedural or administrative questions, they shall be directed to the Cass County Director of Equalization, or his/her designate.

Data files shall be retained by the company as documentation of the final revaluation as determined by the company until final payment is received by the company.

#### XIX. <u>DEFENSE OF VALUES</u>

At the request of the Director, the company shall provide testimony and technical assistance to support appraisals in hearings before the Board of Equalization during regular or extended sessions occurring in the year during which assessment based on the revaluation of property is made. The company shall further furnish expert testimony when necessary to support any appraisals that have been appealed to the courts and are filed during the first year after adoption of said values even though trials may not be held until after said first year. All defense of values excepting informal hearings, shall be at the rate of \$150.00 per hour (including travel time from the company home office), expenses included.

The company shall not be responsible for defense of valuations determined by the Director if significantly different from the valuation determined by the company personnel.

## XX. PUBLIC RELATIONS

Prior to January 1, 2017 the company shall provide competent and experienced public speakers to appear before civic and property owner groups on property appraisals and revaluation techniques upon request at no additional charge to the County. The speaking engagement time and location shall be by mutual agreement and shall be coordinated with the company representative's schedule while working on the project.

## XXI. RESTRICTIONS

The company shall not sublet this project or any part of it to any other person or firm.

There are no third party beneficiaries to this contract.

#### XXII. INSURANCE

The company shall save harmless and indemnify and also provide satisfactory liability and workmen's compensation insurance to save harmless all taxing authorities, the Director, and their offices, from proceedings, suits, and actions of any source or description resulting from the actions of its employees.

#### XXIII. SEQUENCE AND TIMING

The company shall begin work any time after the signing of the contract and all appraisals shall be completed no later than January 1, 2017; or 30 days after receipt of the last building permits, new parcels, splits, combinations or sales, whichever is later.

Upon completion of the final field review and prior to informal hearings, the completed computer data files shall be submitted to the Director for his/her approval.

## XXIV. COMPLETION PENALTY

Should the company fail to perform all functions of this agreement by the date specified the County shall retain a portion of this contract as penalty for incurred damages in the amount of \$100.00 per working day beyond completion date.

Time extension shall be granted "only" to compensate for uncontrollable acts of God, civil commotion, riot or etc., or acts of the conference board, or Director, which are contrary to the customary progress of work outlined in these specifications, additional services performed, or changes in the procedures outside the specifications in connection with the reappraisal project.

This penalty for damages shall be withheld from the contract total or may be collected by action against the company or by any other available legal means.

## XXV. RECONCILIATION

The Director shall be responsible for allocating value changes due to new construction, removal and classification changes for the January 1, 2017 assessment date.

## XXVI. PAYMENT SCHEDULE

The company shall submit monthly billings showing the amount due for that period. A 10% retainage shall be withheld by the County until all work is completed. Full payment, including the 10% retainage, shall be due at the time all data files are submitted to the Director.

Payment of each monthly billing shall be due no later than thirty (30) days following the date of receipt. Should final payment not be received within the specified time, an interest charge at the commercial bank rate on the outstanding amount shall be applied to the next billing.

The County further agrees that failure by the County to make payments to the company as contract work is performed will result in the delay of the contract completion date until all delinquent billings are paid in full.

See addendum number I for contract costs.

## ADDENDUM NO. I

## PAGE, NORTH DAKOTA

## **PROJECT COST SUMMARY**

## Reappraisal Project:

Residential Improved	93	Parcels at \$138.00	Per Parcel	=	\$12,834.00
Commercial Improved	22	Parcels at 295.00	Per Parcel	=	6,490.00
Licensed Grain Elevators,	1	Site at 1,850.00	Dar Sita	_	1,850.00
Large Commercial & Industrial		•			
Vacant Land	81	Parcels at 15.00	Per Parcei	_	1,215.00
Total Project Estimated Cost					\$22,389.00

All costs are based upon parcels counts and information supplied by county officials. The final cost may vary slightly.

# ADDENDUM NO. II PAGE, NORTH DAKOTA BASIC RESIDENTIAL BID SPECIFICATIONS

These items will Not Be Listed, Sketched or Charged for:

Free Standing Fireplaces

Electric Eye (Auto Gar Opener)

**Built-Ins** 

Stoops

Concrete Slabs

Patios under 60 SF

Decks under 60 SF

Roof/Canopy Less than 5'

Roof Overhang Less than 5

In ground Sprinkler System

Above Ground Pool and Deck around it

**Tennis Court** 

Basketball Court

Dog Runs

Portable Sheds

Attic with Pull Down Stairs Only

Sheds Under 100 SF

Bay Window that is not part of living area. (Cannot walk into)

**Privacy Fences** 

**Driveways** 

Round Sketches to the nearest whole foot.

Round Basement Finish to nearest 25 SF (Do not exceed square footage of the dwelling and additions).

Plumbing will not be listed by floor.

Use the Standard VAI abbreviations.

Room counts will be listed as above and below ground.

Round Front, Rear and Depth to the nearest whole foot. Round acres to two places past the decimal point. Round land square footage to the nearest whole foot.

Agricultural outbuildings built before 1970 will not be priced with adjustments or additional equipment. Adjustments and equipment adjustments will be applied to free stall barns, egg laying buildings, hog confinements, hoop houses, steel utility buildings and steel grain bins regardless of age.

\*Suggested bid specifications only. These specifications shall be edited and approved by the Director or his/her designate.

## **ADDENDUM NO. III**

## PAGE, NORTH DAKOTA

## **COMMERCIAL SKETCH SPECIFICATIONS**

## Sketches Will Include the Following:

Perimeter Only	Yes
Interior Offices	No
Mezzanines	No
Coolers/Freezers	No
Penthouses	No
Finished vs. Unfinished Area	No
Mini Warehouse Partitions	No
Car Wash Bays	No
Neighborhood Shopping Center Bays	No
Paving	No
Railroad Siding	No
Vaults	No

## ADDENDUM NO. IV PAGE, NORTH DAKOTA REAPPRAISAL TIME LINE

Date of this time line: November 20, 2014

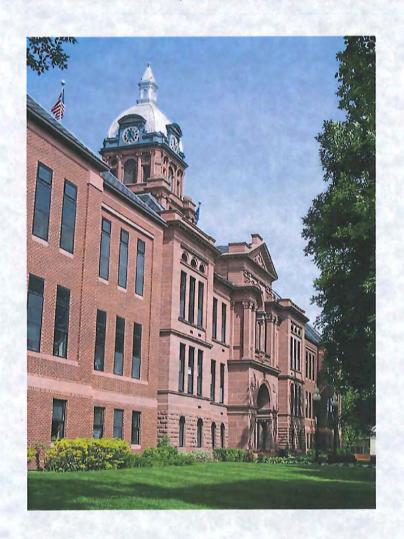
FUNCTION	IMPLEMENTATION DATE
Contract signed	
Director project coordinator assigned	01/01/2016
Vanguard project coordinator assigned	01/01/2016
Input guidelines established	01/15/2016
Map areas & PDF's determined/checked	02/01/2016
Parcels created	02/01/2016
Cards or copies delivered to VAI	02/15/2016
Maps delivered to VAI	02/15/2016
Routing of parcels	04/01/2016
Parcel sketch and input	04/01/2016
Permits, splits/combinations, class changes (delivered monthly to VAI)	04/01/2016
Listing guidelines established	04/15/2016
Field listing to start	06/01/2016
Land and sales research	06/01/2016
Land values established	06/01/2016
Manual and depreciation charts established	06/01/2016
Field review to start	08/01/2016
Field inspection complete	09/01/2016
Field review complete	11/01/2016
Final office parcel editing	12/15/2016
Parcels merged	12/15/2016
Project turnover	01/15/2017
Informal hearing dates established	02/01/2017
Director to send valuation notices	02/15/2017
Informal hearings held	03/01/2017
Values finalized in city records	03/15/2017
City equalization meetings	04/12/2017
County equalization meetings	06/01/2017
County adoption of city values	06/01/2017
State adoption of county values	08/01/2017

This time line is a guide for certain contract procedures.

Exact dates may vary. Prior to the beginning of this project, as well as throughout the project, the timeline may be altered.

As the project progresses, we will work closely with director's office to insure an efficient and complete appraisal system that can be maintained for years to come.

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BOARD OF COMMISSIONERS CHAIRPERSON

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The Director shall provide ownership, legal description, parcel number, classification, land dimensions, and plats for property split/combinations or added properties.

All transfer records and plat books of the Director's office, auditor's office and recorder's office shall be available to the company. However, plat books or transfer records shall not be removed from any office without permission of the principal of the office. The company shall be directly responsible for the proper return of all records when removed from its respective location.

## IX RECORDS AND PLATS (Cont.)

The Director will provide the company with clear and readable photocopies of the existing property record cards for each parcel included in the reappraisal project. The company shall be permitted to input and/or transfer the perimeter sketch, measurements, ages, lot size, individual building construction data, and sales data from the photocopies of the existing property record cards provided by the Director. Parcel number, ownership, property address, legal descriptions and classification shall be transferred from the County computer system. Photocopies shall be of a quality acceptable to the company.

Said input and/or transfer work shall be performed at the company's home office. The County shall be responsible for transporting the photocopies of the existing property cards to the company home office.

If the County is unable to make photocopies the company shall do so for an additional hourly rate of \$40.00, plus the cost of shipping the records to and from the company home office.

## X. SALES RESEARCH

The company shall conduct a sales study of each class of property included in the project prior to establishing any final appraisal values.

The company shall attempt to verify all sales data with the property owners as the project progresses.

Commercial properties shall also be researched from the income approach and correlated to sales prices when applicable. The Director shall be responsible for any mailing of operating statements.

## X. SALES RESEARCH (Cont.)

The Director shall make available to the company all available sales data and supply the company with copies of all new sales occurring during the course of the project.

## XI. INDEX ESTABLISHED (LOCAL MODIFIER)

When sufficient sales and cost data has been acquired, the company shall correlate current building costs with current selling prices of properties to establish the correct index percentage to the Vanguard Appraisals, Inc. Real Property Appraisal Manual.

## XII. LOTS AND LAND VALUATION

The company shall follow guidelines from the sales research data and shall establish front foot or square foot values for all small tracts and platted lots within the city of Hunter. The determined front foot or square foot values shall be entered on the computer and on the plat to be returned to the Director. All lot or tract dimensions shall be entered on the computer. From the frontage of each lot, the total lot value shall be determined. A predominant depth shall be set and tables in the manual shall be followed when applicable. Large tracts and lots shall be valued by the square foot or by the acre. All street, land, or lot frontage characteristics and irregularities shall be recorded and defined on the computer and adjustments applied where applicable.

## XIII. RESIDENTIAL VALUATION

A careful inspection shall be made by a qualified field enumerator who will verify the measurements of each structure and list all pertinent data on a field worksheet. Construction data will include items of construction such as foundation, basement area, exterior walls, roof type and roofing material, floors, attic and basement finish, number of rooms, interior finish, heating and air conditioning, fireplaces, and plumbing.

Residential depreciation schedules shall be prepared upon life expectancies of various types of construction. In application of depreciation, careful consideration shall be given to physical, functional and economic obsolescence.

Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures. On those properties where entrance cannot be gained due to the occupant not being home, not less than three attempts shall be made to gain entrance for inspection of the property. The date and time of each attempt shall be noted on the worksheet. The company shall strive to gain entrance to all properties but in no instance shall there be more than 30% (70% entry rate) of the improved properties estimated.

## XIII. RESIDENTIAL VALUATION (Cont.)

The inspection status shall be indicated on each field worksheet and limited to five (5) categories as follows:

- (1). Inspected (signature required)
- (2). Estimated (date and time of three (3) visits noted)
- (3). Outbuilding only
- (4). Refused inspection (Direct verbal or written refusal)
- (5.) Vacant dwelling

The rate of estimated properties is to be computed by dividing the number of estimated properties by the sum of estimated, inspected and refused inspection properties.

The company shall maintain records of the current overall estimated rate during the course of the project and submit a report to the Director upon request.

The Director shall be allowed to view any work in progress and to randomly verify, with the assistance of the job manager, with property owners that a complete inspection was performed and that measurements are correct.

At the completion of the field inspection, the field listing data shall be entered on the computer, priced using the Vanguard Appraisals, Inc. Real Property Appraisal Manual, and finally reviewed in the field by a review appraiser. See attached addendum no. Il for basic residential bid specifications.

## XIV. VALUATION OF COMMERCIAL

The same careful listing of the buildings by their component parts and use of depreciation schedules based upon construction life expectancies shall be adhered to as specified under "Residential Valuations".

The valuations of income producing properties, such as apartment buildings, which are largely dependent upon rental income for their value, shall be checked by the capitalization approach to value when applicable. Such income studies shall be for the purposes of estimating the amount of functional and economic obsolescence. The Director shall be responsible for mailing requests for operating statements. See attached addendum no. III for sketch specifications.

Machinery and equipment is not included as part of this contract.

The company shall strive to gain entrance to all properties but in no instance shall there be less than 80% entry. Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures.

The Director shall be allowed, at any time, to randomly verify with property owners that a complete inspection was performed and that measurements are correct.

## XV. VALUATION OF INDUSTRIAL PLANTS AND GRAIN ELEVATORS

Plot plans of the properties, showing buildings in proper location and size shall be provided when warranted. The buildings shall be described by their component parts individually, priced at current replacement cost, and depreciated according to age, condition and function.

Records shall be typed, summarized, indexed and bound at the discretion of the appraiser.

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## XVI. <u>PERSONNEL</u>

The company shall provide the services of personnel experienced and competent in the following fields:

Residential Land and Building Appraisals

Commercial Land and Building Appraisals

Industrial Land and Building Appraisals

A list of personnel working on the project shall be submitted to the Director, and this list will be kept current throughout the continuance of the project. The Director shall reserve the right to disapprove of the use of any person assigned and by written request require his/her removal from the project.

#### XVII. INFORMAL PUBLIC REVIEW

The company shall hold informal hearings with taxpayers so that each property owner will have an opportunity to view and discuss his property values with well-qualified company appraisers and make comparisons with that of his neighbor or any like property.

These informal hearings shall be held in an area designated and provided by the Director. The Director shall cooperate by making a public notification of these meetings, in consultation with the company, and schedule the interviews with taxpayers. After the hearings, the Director shall be responsible for sending official notices of any changes prior to the meeting of the Board of Equalization.

Compensation for all informal hearing services shall be performed at the rate of \$120 per hour (including travel time from the company home office), expenses included.

#### XVIII. CHIEF APPRAISER

It is the intent of the County Director's office to provide full cooperation to the company in its endeavor to complete the revaluation. The Director is responsible for the assessment of all taxable property within Hunter. As such, all of the company's work product and valuations shall be subject to final review and determination by the Director, chief appraiser.

#### XVIII. CHIEF APPRAISER (Cont.)

If the company has any procedural or administrative questions, they shall be directed to the Cass County Director of Equalization, or his/her designate.

Data files shall be retained by the company as documentation of the final revaluation as determined by the company until final payment is received by the company.

#### XIX. DEFENSE OF VALUES

At the request of the Director, the company shall provide testimony and technical assistance to support appraisals in hearings before the Board of Equalization during regular or extended sessions occurring in the year during which assessment based on the revaluation of property is made. The company shall further furnish expert testimony when necessary to support any appraisals that have been appealed to the courts and are filed during the first year after adoption of said values even though trials may not be held until after said first year. All defense of values excepting informal hearings, shall be at the rate of \$150.00 per hour (including travel time from the company home office), expenses included.

The company shall not be responsible for defense of valuations determined by the Director if significantly different from the valuation determined by the company personnel.

#### XX. PUBLIC RELATIONS

Prior to January 1, 2017 the company shall provide competent and experienced public speakers to appear before civic and property owner groups on property appraisals and revaluation techniques upon request at no additional charge to the County. The speaking engagement time and location shall be by mutual agreement and shall be coordinated with the company representative's schedule while working on the project.

#### XXI. RESTRICTIONS

The company shall not sublet this project or any part of it to any other person or firm.

There are no third party beneficiaries to this contract.

#### XXII. INSURANCE

The company shall save harmless and indemnify and also provide satisfactory liability and workmen's compensation insurance to save harmless all taxing authorities, the Director, and their offices, from proceedings, suits, and actions of any source or description resulting from the actions of its employees.

#### XXIII. SEQUENCE AND TIMING

The company shall begin work any time after the signing of the contract and all appraisals shall be completed no later than January 1, 2017; or 30 days after receipt of the last building permits, new parcels, splits, combinations or sales, whichever is later.

Upon completion of the final field review and prior to informal hearings, the completed computer data files shall be submitted to the Director for his/her approval.

#### XXIV. COMPLETION PENALTY

Should the company fail to perform all functions of this agreement by the date specified the County shall retain a portion of this contract as penalty for incurred damages in the amount of \$100.00 per working day beyond completion date.

Time extension shall be granted "only" to compensate for uncontrollable acts of God, civil commotion, riot or etc., or acts of the conference board, or Director, which are contrary to the customary progress of work outlined in these specifications, additional services performed, or changes in the procedures outside the specifications in connection with the reappraisal project.

This penalty for damages shall be withheld from the contract total or may be collected by action against the company or by any other available legal means.

#### XXV. RECONCILIATION

The Director shall be responsible for allocating value changes due to new construction, removal and classification changes for the January 1, 2017 assessment date.

#### XXVI. PAYMENT SCHEDULE

The company shall submit monthly billings showing the amount due for that period. A 10% retainage shall be withheld by the County until all work is completed. Full payment, including the 10% retainage, shall be due at the time all data files are submitted to the Director.

Payment of each monthly billing shall be due no later than thirty (30) days following the date of receipt. Should final payment not be received within the specified time, an interest charge at the commercial bank rate on the outstanding amount shall be applied to the next billing.

The County further agrees that failure by the County to make payments to the company as contract work is performed will result in the delay of the contract completion date until all delinquent billings are paid in full.

See addendum number I for contract costs.

#### ADDENDUM NO. I

## **HUNTER, NORTH DAKOTA**

#### **PROJECT COST SUMMARY**

## Reappraisal Project:

Residential Improved	148	Parcels at \$138.00	Per Parcel	=	\$20,424.00
Commercial Improved	28	Parcels at 295.00	Per Parcel	=	8,260.00
Licensed Grain Elevators,					
Large Commercial & Industrial	1	Site at 1,850.00	Per Site	=	1,850.00
Vacant Land	61	Parcels at 15.00	Per Parcel	=	915.00
Total Project Estimated Cost					\$31,449.00

All costs are based upon parcels counts and information supplied by county officials. The final cost may vary slightly.

## ADDENDUM NO. II HUNTER, NORTH DAKOTA BASIC RESIDENTIAL BID SPECIFICATIONS

These items will Not Be Listed, Sketched or Charged for:

Free Standing Fireplaces

Electric Eye (Auto Gar Opener)

**Built-Ins** 

Stoops

Concrete Slabs

Patios under 60 SF

Decks under 60 SF

Roof/Canopy Less than 5'

Roof Overhang Less than 5

In ground Sprinkler System

Above Ground Pool and Deck around it

**Tennis Court** 

**Basketball Court** 

Dog Runs

Portable Sheds

Attic with Pull Down Stairs Only

Sheds Under 100 SF

Bay Window that is not part of living area. (Cannot walk into)

**Privacy Fences** 

**Driveways** 

Round Sketches to the nearest whole foot.

Round Basement Finish to nearest 25 SF (Do not exceed square footage of the dwelling and additions).

Plumbing will not be listed by floor.

Use the Standard VAI abbreviations.

Room counts will be listed as above and below ground.

Round Front, Rear and Depth to the nearest whole foot. Round acres to two places past the decimal point. Round land square footage to the nearest whole foot.

Agricultural outbuildings built before 1970 will not be priced with adjustments or additional equipment. Adjustments and equipment adjustments will be applied to free stall barns, egg laying buildings, hog confinements, hoop houses, steel utility buildings and steel grain bins regardless of age.

\*Suggested bid specifications only. These specifications shall be edited and approved by the Director or his/her designate.

## ADDENDUM NO. III

## **HUNTER, NORTH DAKOTA**

#### **COMMERCIAL SKETCH SPECIFICATIONS**

## Sketches Will Include the Following:

Perimeter Only	Yes
Interior Offices	No
Mezzanines	No
Coolers/Freezers	No
Penthouses	No
Finished vs. Unfinished Area	No
Mini Warehouse Partitions	No
Car Wash Bays	No
Neighborhood Shopping Center Bays	No
Paving	No
Railroad Siding	No
Vaults	No

#### ADDENDUM NO. IV HUNTER, NORTH DAKOTA REAPPRAISAL TIME LINE

Date of this time line: November 20, 2014

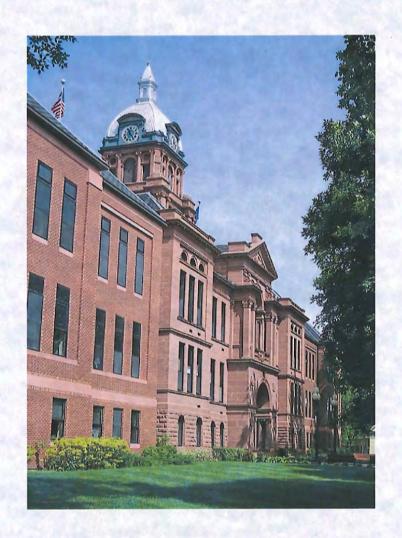
FUNCTION	IMPLEMENTATION DATE
Contract signed	
Director project coordinator assigned	01/01/2016
Vanguard project coordinator assigned	01/01/2016
Input guidelines established	01/15/2016
Map areas & PDF's determined/checked	02/01/2016
Parcels created	02/01/2016
Cards or copies delivered to VAI	02/15/2016
Maps delivered to VAI	02/15/2016
Routing of parcels	04/01/2016
Parcel sketch and input	04/01/2016
Permits, splits/combinations, class changes (delivered monthly to VAI)	04/01/2016
Listing guidelines established	04/15/2016
Field listing to start	06/01/2016
Land and sales research	06/01/2016
Land values established	06/01/2016
Manual and depreciation charts established	06/01/2016
Field review to start	08/01/2016
Field inspection complete	09/01/2016
Field review complete	11/01/2016
Final office parcel editing	12/15/2016
Parcels merged	12/15/2016
Project turnover	01/15/2017
Informal hearing dates established	02/01/2017
Director to send valuation notices	02/15/2017
Informal hearings held	03/01/2017
Values finalized in city records	03/15/2017
City equalization meetings	04/12/2017
County equalization meetings	06/01/2017
County adoption of city values	06/01/2017
State adoption of county values	08/01/2017

This time line is a guide for certain contract procedures.

Exact dates may vary. Prior to the beginning of this project, as well as throughout the project, the timeline may be altered.

As the project progresses, we will work closely with director's office to insure an efficient and complete appraisal system that can be maintained for years to come.

CONTRACT AND
REAPPRAISAL SPECIFICATIONS
FOR THE REVALUATION
OF CERTAIN REAL PROPERTY IN THE
CITY OF HARWOOD, CASS COUNTY, ND





VANGUARD APPRAISALS, INC CEDAR RAPIDS, IOWA

## **CONTRACT SUBMISSION**

This contract is submitted this 20<sup>th</sup> day of November, 2014, by Vanguard Appraisals, Inc., executed by Robert P. Ehler, President.

Attached hereto are specifications for the revaluation of certain described property in Harwood, North Dakota, all of which are herewith a part of this contract.

All revaluation work shall be completed by January 15, 2017 in accordance with the attached specifications for the following prices.

Class	Price
Residential Improved	\$138.00 Per Improved Parcel
Commercial Improved	\$295.00 " " "
Licensed Grain Elevators,	

Large Commercial & Industrial \$1,850.00 Per Site Vacant Land \$15.00 Per Parcel

The terms of this contract, including all specifications, shall be firm for acceptance prior to February 20, 2015.

VANGUARD APPRAISALS, INC.

Robert P. Ehler, President

## CONTRACT

This agreement entered into	this day of	, 20, by
and between Harwood, Cass Count	y, North Dakota, executed by t	he Cass County
Board of Commissioners, First Party	, and Vanguard Appraisals, Inc	c., executed by
Robert P. Ehler, President, Second	Party, as follows:	
1. That attached hereto a	are specifications for the revalu	ation of certain
described property in Harwood, Nor	th Dakota.	
<ol><li>That the First Party en</li></ol>	nploys the Second Party, and the	ne Second Party
will perform all of the work described	d in all of the documents referre	ed to in paragraph 1
hereof, in accordance with the terms	s and conditions set out in said	documents.
<ol><li>That the First Party will</li></ol>	Il pay the Second Party on a pe	er improved parcel
basis as set forth in item III of said s	pecifications referred to in para	agraph 1 of this
contract, to be paid in accordance w	rith the terms of the documents	described in
paragraph 1.		
VANGUARD APPRAISALS, INC.	CASS COUNTY, NORTH D	PAKOTA
PRESIDENT	BOARD OF COMMISSION	ERS CHAIRPERSON

## REAPPRAISAL OF CERTAIN REAL PROPERTY IN HARWOOD, NORTH DAKOTA SPECIFICATIONS

#### I. PURPOSE OF APPRAISAL

This appraisal is made for the purpose of equalizing assessments in Harwood, North Dakota in compliance with the State Laws of North Dakota, and the rules and policies laid down by the North Dakota State Tax Department, as such laws, rules and policies shall exist on the date this contract is initiated.

The appraisal of all property shall be divided between land and buildings.

#### II. <u>TERMINOLOGY</u>

The word "Company" as used in these specifications shall mean Vanguard Appraisals, Inc.

The term "Director" means the Tax Director of Cass County, North Dakota.

"Improved parcel" as used in these specifications shall mean a single tract of legally described land area containing one or more improvements.

"Vacant lot" as used in these specifications shall mean a tract of legally described land area containing no land improvements, paving or structures.

"Site" as used in these specifications shall mean any parcel or group of contiguous parcels that have been combined into one operational unit.

Licensed grain storage facility (defined as a property with a commercial grain license) sites shall consist of any parcel or parcels that operate as a single grain elevator. Large commercial or industrial sites shall consist of any parcel or parcels with a gross building area in excess of 50,000 S.F.

#### III. PER PARCEL BID

Residential Improved
Commercial Improved
Licensed Grain Elevators,
Large Commercial & Industrial
Vacant Land

\$138.00 Per Improved Parcel \$295.00 " " "

\$1,850.00 Per Site \$15.00 Per Parcel

#### IV. APPRAISAL MANUAL

The company shall use the Vanguard Appraisals, Inc. Real Property

Appraisal Manual. All company personnel shall familiarize themselves with this
manual and attain a full and complete working knowledge of its schedules,
methods and procedures.

#### V. COMPUTER GENERATED VALUES

Commercial, residential and agricultural dwelling appraised values shall be generated utilizing computer software designed for use with the Vanguard Appraisals, Inc. Real Property Appraisal Manual. The purchase and service of computer hardware is not a part of this contract. The company shall furnish all computer hardware necessary during the reappraisal project. All computer software shall be purchased from Vanguard Appraisals, Inc. under separate contract with Cass County.

#### VI. COMPUTER GENERATED SKETCHES

A perimeter sketch of each major building and residential dwelling shall be generated utilizing computer software compatible with the pricing software.

All sketch software shall be licensed from Vanguard Appraisals, Inc. under separate contract with Cass County.

The sketches will not include details such as interior offices, mezzanines, vertical wall diagrams; or yard items such as garages, sheds, paving, or fencing.

#### VII. <u>DIGITAL PHOTOGRAPHS</u>

Each parcel of property covered under these specifications shall include as part of the property record, a digital color photograph of the principal building situated on the individual parcel.

The company shall be responsible for:

- 1. Purchase of digital camera.
- 2. Taking digital photographs in the field and listing digital photograph order on the organization sheet.
- Transfer of digital photographs to VCS PhotoVision software.

The County shall license VCS PhotoVision software under separate contract.

#### VIII. OFFICE SPACE AND EQUIPMENT

The Director shall be responsible for all office space, desks and chairs for personnel of the appraisal company.

The appraisal company shall supply all computer hardware necessary for data entry during the term of the project and shall transfer all data files to the County's computer system upon completion of the project.

The company shall furnish all files and folders necessary to perform their work for the duration of the contract.

#### IX. RECORDS AND PLATS

The Director shall supply the company with updated and printed plat maps showing street names, subdivisions, block numbers, lot numbers and with lot dimensions displayed to scale at the beginning of the project for all platted areas within Harwood. The Director shall supply one overall map of Harwood showing street names in addition to the plat maps.

The County shall be responsible for the cost of all maps. Any omitted properties, discrepancies or new additions platted shall be brought to the attention of the Director and both parties shall strive to correct all irregularities.

The company shall not be responsible for deed research, drawing in/drafting new platted areas or resolving platting discrepancies.

The Director shall supply the company with property split/ combination information, building permit information, and/or property transfers each month during the project.

The Director shall provide ownership, legal description, parcel number, classification, land dimensions, and plats for property split/combinations or added properties.

All transfer records and plat books of the Director's office, auditor's office and recorder's office shall be available to the company. However, plat books or transfer records shall not be removed from any office without permission of the principal of the office. The company shall be directly responsible for the proper return of all records when removed from its respective location.

#### IX RECORDS AND PLATS (Cont.)

The Director will provide the company with clear and readable photocopies of the existing property record cards for each parcel included in the reappraisal project. The company shall be permitted to input and/or transfer the perimeter sketch, measurements, ages, lot size, individual building construction data, and sales data from the photocopies of the existing property record cards provided by the Director. Parcel number, ownership, property address, legal descriptions and classification shall be transferred from the County computer system. Photocopies shall be of a quality acceptable to the company.

Said input and/or transfer work shall be performed at the company's home office. The County shall be responsible for transporting the photocopies of the existing property cards to the company home office.

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The company shall attempt to verify all sales data with the property owners as the project progresses.

Commercial properties shall also be researched from the income approach and correlated to sales prices when applicable. The Director shall be responsible for any mailing of operating statements.

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The Director shall make available to the company all available sales data and supply the company with copies of all new sales occurring during the course of the project.

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When sufficient sales and cost data has been acquired, the company shall correlate current building costs with current selling prices of properties to establish the correct index percentage to the Vanguard Appraisals, Inc. Real Property Appraisal Manual.

#### XII. LOTS AND LAND VALUATION

The company shall follow guidelines from the sales research data and shall establish front foot or square foot values for all small tracts and platted lots within the city of Harwood. The determined front foot or square foot values shall be entered on the computer and on the plat to be returned to the Director. All lot or tract dimensions shall be entered on the computer. From the frontage of each lot, the total lot value shall be determined. A predominant depth shall be set and tables in the manual shall be followed when applicable. Large tracts and lots shall be valued by the square foot or by the acre. All street, land, or lot frontage characteristics and irregularities shall be recorded and defined on the computer and adjustments applied where applicable.

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There are no third party beneficiaries to this contract.

#### XXII. INSURANCE

The company shall save harmless and indemnify and also provide satisfactory liability and workmen's compensation insurance to save harmless all taxing authorities, the Director, and their offices, from proceedings, suits, and actions of any source or description resulting from the actions of its employees.

#### XXIII. SEQUENCE AND TIMING

The company shall begin work any time after the signing of the contract and all appraisals shall be completed no later than January 1, 2017; or 30 days after receipt of the last building permits, new parcels, splits, combinations or sales, whichever is later.

Upon completion of the final field review and prior to informal hearings, the completed computer data files shall be submitted to the Director for his/her approval.

#### XXIV. COMPLETION PENALTY

Should the company fail to perform all functions of this agreement by the date specified the County shall retain a portion of this contract as penalty for incurred damages in the amount of \$100.00 per working day beyond completion date.

Time extension shall be granted "only" to compensate for uncontrollable acts of God, civil commotion, riot or etc., or acts of the conference board, or Director, which are contrary to the customary progress of work outlined in these specifications, additional services performed, or changes in the procedures outside the specifications in connection with the reappraisal project.

This penalty for damages shall be withheld from the contract total or may be collected by action against the company or by any other available legal means.

#### XXV. RECONCILIATION

The Director shall be responsible for allocating value changes due to new construction, removal and classification changes for the January 1, 2017 assessment date.

#### XXVI. PAYMENT SCHEDULE

The company shall submit monthly billings showing the amount due for that period. A 10% retainage shall be withheld by the County until all work is completed. Full payment, including the 10% retainage, shall be due at the time all data files are submitted to the Director.

Payment of each monthly billing shall be due no later than thirty (30) days following the date of receipt. Should final payment not be received within the specified time, an interest charge at the commercial bank rate on the outstanding amount shall be applied to the next billing.

The County further agrees that failure by the County to make payments to the company as contract work is performed will result in the delay of the contract completion date until all delinquent billings are paid in full.

See addendum number I for contract costs.

#### ADDENDUM NO. I

## HARWOOD, NORTH DAKOTA

#### **PROJECT COST SUMMARY**

## Reappraisal Project:

Residential Improved	260	Parcels at \$138.00	Per Parcel	=	\$35,880.00
Commercial Improved	14	Parcels at 295.00	Per Parcel	=	4,130.00
Licensed Grain Elevators,					
Large Commercial & Industrial	1	Site at 1,850.00	Per Site	=	1,850.00
Vacant Land	35	Parcels at 15.00	Per Parcel	=	<u>525.00</u>
Total Project Estimated Cost					\$42,385.00

All costs are based upon parcels counts and information supplied by county officials. The final cost may vary slightly.

## ADDENDUM NO. II HARWOOD, NORTH DAKOTA BASIC RESIDENTIAL BID SPECIFICATIONS

These items will Not Be Listed, Sketched or Charged for:

Free Standing Fireplaces

Electric Eye (Auto Gar Opener)

**Built-Ins** 

Stoops

Concrete Slabs

Patios under 60 SF

Decks under 60 SF

Roof/Canopy Less than 5'

Roof Overhang Less than 5

In ground Sprinkler System

Above Ground Pool and Deck around it

**Tennis Court** 

Basketball Court

Dog Runs

Portable Sheds

Attic with Pull Down Stairs Only

Sheds Under 100 SF

Bay Window that is not part of living area. (Cannot walk into)

**Privacy Fences** 

Driveways

Round Sketches to the nearest whole foot.

Round Basement Finish to nearest 25 SF (Do not exceed square footage of the dwelling and additions).

Plumbing will not be listed by floor.

Use the Standard VAI abbreviations.

Room counts will be listed as above and below ground.

Round Front, Rear and Depth to the nearest whole foot. Round acres to two places past the decimal point. Round land square footage to the nearest whole foot.

Agricultural outbuildings built before 1970 will not be priced with adjustments or additional equipment. Adjustments and equipment adjustments will be applied to free stall barns, egg laying buildings, hog confinements, hoop houses, steel utility buildings and steel grain bins regardless of age.

\*Suggested bid specifications only. These specifications shall be edited and approved by the Director or his/her designate.

#### ADDENDUM NO. III

## HARWOOD, NORTH DAKOTA

#### **COMMERCIAL SKETCH SPECIFICATIONS**

## Sketches Will Include the Following:

Perimeter Only	Yes
Interior Offices	No
Mezzanines	No
Coolers/Freezers	No
Penthouses	No
Finished vs. Unfinished Area	No
Mini Warehouse Partitions	No
Car Wash Bays	No
Neighborhood Shopping Center Bays	No
Paving	No
Railroad Siding	No
Vaults	No

#### ADDENDUM NO. IV HARWOOD, NORTH DAKOTA REAPPRAISAL TIME LINE

Date of this time line: November 20, 2014

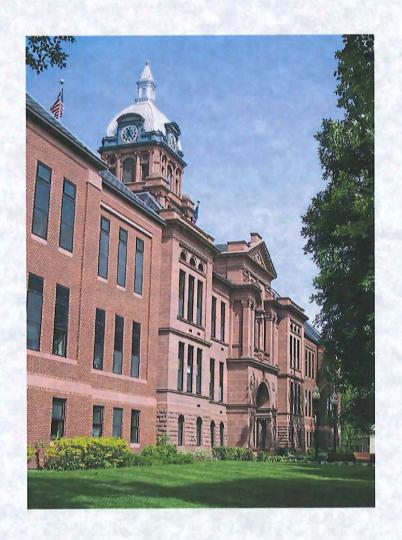
FUNCTION	IMPLEMENTATION DATE
Contract signed	
Director project coordinator assigned	01/01/2016
Vanguard project coordinator assigned	01/01/2016
Input guidelines established	01/15/2016
Map areas & PDF's determined/checked	02/01/2016
Parcels created	02/01/2016
Cards or copies delivered to VAI	02/15/2016
Maps delivered to VAI	02/15/2016
Routing of parcels	04/01/2016
Parcel sketch and input	04/01/2016
Permits, splits/combinations, class changes	04/01/2016
(delivered monthly to VAI)	
Listing guidelines established	04/15/2016
Field listing to start	06/01/2016
Land and sales research	06/01/2016
Land values established	06/01/2016
Manual and depreciation charts established	06/01/2016
Field review to start	08/01/2016
Field inspection complete	09/01/2016
Field review complete	11/01/2016
Final office parcel editing	12/15/2016
Parcels merged	12/15/2016
Project turnover	01/15/2017
Informal hearing dates established	02/01/2017
Director to send valuation notices	02/15/2017
Informal hearings held	03/01/2017
Values finalized in city records	03/15/2017
City equalization meetings	04/12/2017
County equalization meetings	06/01/2017
County adoption of city values	06/01/2017
State adoption of county values	08/01/2017

This time line is a guide for certain contract procedures.

Exact dates may vary. Prior to the beginning of this project, as well as throughout the project, the timeline may be altered.

As the project progresses, we will work closely with director's office to insure an efficient and complete appraisal system that can be maintained for years to come.

CONTRACT AND
REAPPRAISAL SPECIFICATIONS
FOR THE REVALUATION
OF CERTAIN REAL PROPERTY IN THE
CITY OF GARDNER, CASS COUNTY, ND





VANGUARD APPRAISALS, INC CEDAR RAPIDS, IOWA

## **CONTRACT SUBMISSION**

This contract is submitted this 20<sup>th</sup> day of November, 2014, by Vanguard Appraisals, Inc., executed by Robert P. Ehler, President.

Attached hereto are specifications for the revaluation of certain described property in Gardner, North Dakota, all of which are herewith a part of this contract.

All revaluation work shall be completed by January 15, 2017 in accordance with the attached specifications for the following prices.

Class	<u>Price</u>			
Residential Improved	\$138.00 Per Improved Parcel			
Commercial Improved Licensed Grain Elevators,	\$295.00 " " "			
Large Commercial & Industrial	\$1,850.00 Per Site			
Vacant Land	\$15.00 Per Parcel			

The terms of this contract, including all specifications, shall be firm for acceptance prior to February 20, 2015.

VANGUARD APPRAISALS, INC.

Robert P. Ehler, President

## CONTRACT

This	agreement entered into	this	_ day of	, 20, by
and betwee	en Gardner, Cass County	, North Dako	ta, executed by	the Cass County
Board of Co	ommissioners, First Party	y, and Vangu	ard Appraisals, I	nc., executed by
Robert P. E	hler, President, Second	Party, as foll	ows:	
1.	That attached hereto a	are specificat	ions for the reval	uation of certain
described p	property in Gardner, Nort	h Dakota.		
2.	That the First Party en	nploys the Se	econd Party, and	the Second Party
will perform	all of the work describe	d in all of the	documents refer	red to in paragraph 1
hereof, in a	ccordance with the terms	s and condition	ons set out in sai	d documents.
3.	That the First Party wi	ll pay the Se	cond Party on a	per improved parcel
basis as se	t forth in item III of said s	specifications	referred to in pa	ragraph 1 of this
contract, to	be paid in accordance v	vith the terms	of the documen	ts described in
paragraph	1.			
VANGUAR	D APPRAISALS, INC.	CASS CO	DUNTY, NORTH	DAKOTA

BOARD OF COMMISSIONERS CHAIRPERSON

# REAPPRAISAL OF CERTAIN REAL PROPERTY IN GARDNER, NORTH DAKOTA SPECIFICATIONS

#### I. PURPOSE OF APPRAISAL

This appraisal is made for the purpose of equalizing assessments in Gardner, North Dakota in compliance with the State Laws of North Dakota, and the rules and policies laid down by the North Dakota State Tax Department, as such laws, rules and policies shall exist on the date this contract is initiated.

The appraisal of all property shall be divided between land and buildings.

#### II. TERMINOLOGY

The word "Company" as used in these specifications shall mean Vanguard Appraisals, Inc.

The term "Director" means the Tax Director of Cass County, North Dakota.

"Improved parcel" as used in these specifications shall mean a single tract of legally described land area containing one or more improvements.

"Vacant lot" as used in these specifications shall mean a tract of legally described land area containing no land improvements, paving or structures.

"Site" as used in these specifications shall mean any parcel or group of contiguous parcels that have been combined into one operational unit.

Licensed grain storage facility (defined as a property with a commercial grain license) sites shall consist of any parcel or parcels that operate as a single grain elevator. Large commercial or industrial sites shall consist of any parcel or parcels with a gross building area in excess of 50,000 S.F.

#### III. PER PARCEL BID

Residential Improved
Commercial Improved
Licensed Grain Elevators,
Large Commercial & Industrial
Vacant Land

\$138.00 Per Improved Parcel \$295.00 " " "

\$1,850.00 Per Site \$15.00 Per Parcel

#### IV. APPRAISAL MANUAL

The company shall use the Vanguard Appraisals, Inc. Real Property

Appraisal Manual. All company personnel shall familiarize themselves with this
manual and attain a full and complete working knowledge of its schedules,
methods and procedures.

#### V. COMPUTER GENERATED VALUES

Commercial, residential and agricultural dwelling appraised values shall be generated utilizing computer software designed for use with the Vanguard Appraisals, Inc. Real Property Appraisal Manual. The purchase and service of computer hardware is not a part of this contract. The company shall furnish all computer hardware necessary during the reappraisal project. All computer software shall be purchased from Vanguard Appraisals, Inc. under separate contract with Cass County.

#### VI. COMPUTER GENERATED SKETCHES

A perimeter sketch of each major building and residential dwelling shall be generated utilizing computer software compatible with the pricing software.

All sketch software shall be licensed from Vanguard Appraisals, Inc. under separate contract with Cass County.

The sketches will not include details such as interior offices, mezzanines, vertical wall diagrams; or yard items such as garages, sheds, paving, or fencing.

#### VII. DIGITAL PHOTOGRAPHS

Each parcel of property covered under these specifications shall include as part of the property record, a digital color photograph of the principal building situated on the individual parcel.

The company shall be responsible for:

- 1. Purchase of digital camera.
- 2. Taking digital photographs in the field and listing digital photograph order on the organization sheet.
- 3. Transfer of digital photographs to VCS PhotoVision software.

The County shall license VCS PhotoVision software under separate contract.

#### VIII. OFFICE SPACE AND EQUIPMENT

The Director shall be responsible for all office space, desks and chairs for personnel of the appraisal company.

The appraisal company shall supply all computer hardware necessary for data entry during the term of the project and shall transfer all data files to the County's computer system upon completion of the project.

The company shall furnish all files and folders necessary to perform their work for the duration of the contract.

#### IX. RECORDS AND PLATS

The Director shall supply the company with updated and printed plat maps showing street names, subdivisions, block numbers, lot numbers and with lot dimensions displayed to scale at the beginning of the project for all platted areas within Gardner. The Director shall supply one overall map of Gardner showing street names in addition to the plat maps.

The County shall be responsible for the cost of all maps. Any omitted properties, discrepancies or new additions platted shall be brought to the attention of the Director and both parties shall strive to correct all irregularities.

The company shall not be responsible for deed research, drawing in/drafting new platted areas or resolving platting discrepancies.

The Director shall supply the company with property split/ combination information, building permit information, and/or property transfers each month during the project.

The Director shall provide ownership, legal description, parcel number, classification, land dimensions, and plats for property split/combinations or added properties.

All transfer records and plat books of the Director's office, auditor's office and recorder's office shall be available to the company. However, plat books or transfer records shall not be removed from any office without permission of the principal of the office. The company shall be directly responsible for the proper return of all records when removed from its respective location.

#### IX RECORDS AND PLATS (Cont.)

The Director will provide the company with clear and readable photocopies of the existing property record cards for each parcel included in the reappraisal project. The company shall be permitted to input and/or transfer the perimeter sketch, measurements, ages, lot size, individual building construction data, and sales data from the photocopies of the existing property record cards provided by the Director. Parcel number, ownership, property address, legal descriptions and classification shall be transferred from the County computer system. Photocopies shall be of a quality acceptable to the company.

Said input and/or transfer work shall be performed at the company's home office. The County shall be responsible for transporting the photocopies of the existing property cards to the company home office.

If the County is unable to make photocopies the company shall do so for an additional hourly rate of \$40.00, plus the cost of shipping the records to and from the company home office.

#### X. SALES RESEARCH

The company shall conduct a sales study of each class of property included in the project prior to establishing any final appraisal values.

The company shall attempt to verify all sales data with the property owners as the project progresses.

Commercial properties shall also be researched from the income approach and correlated to sales prices when applicable. The Director shall be responsible for any mailing of operating statements.

#### X. SALES RESEARCH (Cont.)

The Director shall make available to the company all available sales data and supply the company with copies of all new sales occurring during the course of the project.

#### XI. INDEX ESTABLISHED (LOCAL MODIFIER)

When sufficient sales and cost data has been acquired, the company shall correlate current building costs with current selling prices of properties to establish the correct index percentage to the Vanguard Appraisals, Inc. Real Property Appraisal Manual.

#### XII. LOTS AND LAND VALUATION

The company shall follow guidelines from the sales research data and shall establish front foot or square foot values for all small tracts and platted lots within the city of Gardner. The determined front foot or square foot values shall be entered on the computer and on the plat to be returned to the Director. All lot or tract dimensions shall be entered on the computer. From the frontage of each lot, the total lot value shall be determined. A predominant depth shall be set and tables in the manual shall be followed when applicable. Large tracts and lots shall be valued by the square foot or by the acre. All street, land, or lot frontage characteristics and irregularities shall be recorded and defined on the computer and adjustments applied where applicable.

#### XIII. <u>RESIDENTIAL VALUATION</u>

A careful inspection shall be made by a qualified field enumerator who will verify the measurements of each structure and list all pertinent data on a field worksheet. Construction data will include items of construction such as foundation, basement area, exterior walls, roof type and roofing material, floors, attic and basement finish, number of rooms, interior finish, heating and air conditioning, fireplaces, and plumbing.

Residential depreciation schedules shall be prepared upon life expectancies of various types of construction. In application of depreciation, careful consideration shall be given to physical, functional and economic obsolescence.

Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures. On those properties where entrance cannot be gained due to the occupant not being home, not less than three attempts shall be made to gain entrance for inspection of the property. The date and time of each attempt shall be noted on the worksheet. The company shall strive to gain entrance to all properties but in no instance shall there be more than 30% (70% entry rate) of the improved properties estimated.

#### XIII. RESIDENTIAL VALUATION (Cont.)

The inspection status shall be indicated on each field worksheet and limited to five (5) categories as follows:

- (1). Inspected (signature required)
- (2). Estimated (date and time of three (3) visits noted)
- (3). Outbuilding only
- (4). Refused inspection (Direct verbal or written refusal)
- (5.) Vacant dwelling

The rate of estimated properties is to be computed by dividing the number of estimated properties by the sum of estimated, inspected and refused inspection properties.

The company shall maintain records of the current overall estimated rate during the course of the project and submit a report to the Director upon request.

The Director shall be allowed to view any work in progress and to randomly verify, with the assistance of the job manager, with property owners that a complete inspection was performed and that measurements are correct.

At the completion of the field inspection, the field listing data shall be entered on the computer, priced using the Vanguard Appraisals, Inc. Real Property Appraisal Manual, and finally reviewed in the field by a review appraiser. See attached addendum no. II for basic residential bid specifications.

#### XIV. VALUATION OF COMMERCIAL

The same careful listing of the buildings by their component parts and use of depreciation schedules based upon construction life expectancies shall be adhered to as specified under "Residential Valuations".

The valuations of income producing properties, such as apartment buildings, which are largely dependent upon rental income for their value, shall be checked by the capitalization approach to value when applicable. Such income studies shall be for the purposes of estimating the amount of functional and economic obsolescence. The Director shall be responsible for mailing requests for operating statements. See attached addendum no. III for sketch specifications.

Machinery and equipment is not included as part of this contract.

The company shall strive to gain entrance to all properties but in no instance shall there be less than 80% entry. Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures.

The Director shall be allowed, at any time, to randomly verify with property owners that a complete inspection was performed and that measurements are correct.

#### XV. VALUATION OF INDUSTRIAL PLANTS AND GRAIN ELEVATORS

Plot plans of the properties, showing buildings in proper location and size shall be provided when warranted. The buildings shall be described by their component parts individually, priced at current replacement cost, and depreciated according to age, condition and function.

Records shall be typed, summarized, indexed and bound at the discretion of the appraiser.

Machinery and equipment is not included as part of this contract.

#### XVI. PERSONNEL

The company shall provide the services of personnel experienced and competent in the following fields:

Residential Land and Building Appraisals

Commercial Land and Building Appraisals

Industrial Land and Building Appraisals

A list of personnel working on the project shall be submitted to the Director, and this list will be kept current throughout the continuance of the project. The Director shall reserve the right to disapprove of the use of any person assigned and by written request require his/her removal from the project.

#### XVII. INFORMAL PUBLIC REVIEW

The company shall hold informal hearings with taxpayers so that each property owner will have an opportunity to view and discuss his property values with well-qualified company appraisers and make comparisons with that of his neighbor or any like property.

These informal hearings shall be held in an area designated and provided by the Director. The Director shall cooperate by making a public notification of these meetings, in consultation with the company, and schedule the interviews with taxpayers. After the hearings, the Director shall be responsible for sending official notices of any changes prior to the meeting of the Board of Equalization.

Compensation for all informal hearing services shall be performed at the rate of \$120 per hour (including travel time from the company home office), expenses included.

#### XVIII. CHIEF APPRAISER

It is the intent of the County Director's office to provide full cooperation to the company in its endeavor to complete the revaluation. The Director is responsible for the assessment of all taxable property within Gardner. As such, all of the company's work product and valuations shall be subject to final review and determination by the Director, chief appraiser.

#### XVIII. CHIEF APPRAISER (Cont.)

If the company has any procedural or administrative questions, they shall be directed to the Cass County Director of Equalization, or his/her designate.

Data files shall be retained by the company as documentation of the final revaluation as determined by the company until final payment is received by the company.

#### XIX. DEFENSE OF VALUES

At the request of the Director, the company shall provide testimony and technical assistance to support appraisals in hearings before the Board of Equalization during regular or extended sessions occurring in the year during which assessment based on the revaluation of property is made. The company shall further furnish expert testimony when necessary to support any appraisals that have been appealed to the courts and are filed during the first year after adoption of said values even though trials may not be held until after said first year. All defense of values excepting informal hearings, shall be at the rate of \$150.00 per hour (including travel time from the company home office), expenses included.

The company shall not be responsible for defense of valuations determined by the Director if significantly different from the valuation determined by the company personnel.

#### XX. PUBLIC RELATIONS

Prior to January 1, 2017 the company shall provide competent and experienced public speakers to appear before civic and property owner groups on property appraisals and revaluation techniques upon request at no additional charge to the County. The speaking engagement time and location shall be by mutual agreement and shall be coordinated with the company representative's schedule while working on the project.

#### XXI. RESTRICTIONS

The company shall not sublet this project or any part of it to any other person or firm.

There are no third party beneficiaries to this contract.

#### XXII. INSURANCE

The company shall save harmless and indemnify and also provide satisfactory liability and workmen's compensation insurance to save harmless all taxing authorities, the Director, and their offices, from proceedings, suits, and actions of any source or description resulting from the actions of its employees.

#### XXIII. SEQUENCE AND TIMING

The company shall begin work any time after the signing of the contract and all appraisals shall be completed no later than January 1, 2017; or 30 days after receipt of the last building permits, new parcels, splits, combinations or sales, whichever is later.

Upon completion of the final field review and prior to informal hearings, the completed computer data files shall be submitted to the Director for his/her approval.

#### XXIV. COMPLETION PENALTY

Should the company fail to perform all functions of this agreement by the date specified the County shall retain a portion of this contract as penalty for incurred damages in the amount of \$100.00 per working day beyond completion date.

Time extension shall be granted "only" to compensate for uncontrollable acts of God, civil commotion, riot or etc., or acts of the conference board, or Director, which are contrary to the customary progress of work outlined in these specifications, additional services performed, or changes in the procedures outside the specifications in connection with the reappraisal project.

This penalty for damages shall be withheld from the contract total or may be collected by action against the company or by any other available legal means.

#### XXV. RECONCILIATION

The Director shall be responsible for allocating value changes due to new construction, removal and classification changes for the January 1, 2017 assessment date.

#### XXVI. PAYMENT SCHEDULE

The company shall submit monthly billings showing the amount due for that period. A 10% retainage shall be withheld by the County until all work is completed. Full payment, including the 10% retainage, shall be due at the time all data files are submitted to the Director.

Payment of each monthly billing shall be due no later than thirty (30) days following the date of receipt. Should final payment not be received within the specified time, an interest charge at the commercial bank rate on the outstanding amount shall be applied to the next billing.

The County further agrees that failure by the County to make payments to the company as contract work is performed will result in the delay of the contract completion date until all delinquent billings are paid in full.

See addendum number I for contract costs.

#### ADDENDUM NO. I

### GARDNER, NORTH DAKOTA

#### **PROJECT COST SUMMARY**

#### Reappraisal Project:

Residential Improved	39	Parcels at	\$138.00	Per Parcel	=	\$5,382.00
Commercial Improved	8	Parcels at	295.00	Per Parcel	=	2,360.00
Licensed Grain Elevators,						
Large Commercial & Industrial	1	Site at	1,850.00	Per Site	=	1,850.00
Vacant Land	29	Parcels at	15.00	Per Parcel	=	435.00
Total Project Estimated Cost						\$10,027.00

All costs are based upon parcels counts and information supplied by county officials. The final cost may vary slightly.

# ADDENDUM NO. II GARDNER, NORTH DAKOTA BASIC RESIDENTIAL BID SPECIFICATIONS

These items will Not Be Listed, Sketched or Charged for:

Free Standing Fireplaces

Electric Eye (Auto Gar Opener)

**Built-Ins** 

Stoops

Concrete Slabs

Patios under 60 SF

Decks under 60 SF

Roof/Canopy Less than 5'

Roof Overhang Less than 5

In ground Sprinkler System

Above Ground Pool and Deck around it

**Tennis Court** 

**Basketball Court** 

Dog Runs

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Attic with Pull Down Stairs Only

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Bay Window that is not part of living area. (Cannot walk into)

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Driveways

Round Sketches to the nearest whole foot.

Round Basement Finish to nearest 25 SF (Do not exceed square footage of the dwelling and additions).

Plumbing will not be listed by floor.

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Room counts will be listed as above and below ground.

Round Front, Rear and Depth to the nearest whole foot. Round acres to two places past the decimal point. Round land square footage to the nearest whole foot.

Agricultural outbuildings built before 1970 will not be priced with adjustments or additional equipment. Adjustments and equipment adjustments will be applied to free stall barns, egg laying buildings, hog confinements, hoop houses, steel utility buildings and steel grain bins regardless of age.

\*Suggested bid specifications only. These specifications shall be edited and approved by the Director or his/her designate.

#### ADDENDUM NO. III

### GARDNER, NORTH DAKOTA

#### **COMMERCIAL SKETCH SPECIFICATIONS**

### Sketches Will Include the Following:

Perimeter Only	Yes
Interior Offices	No
Mezzanines	No
Coolers/Freezers	No
Penthouses	No
Finished vs. Unfinished Area	No
Mini Warehouse Partitions	No
Car Wash Bays	No
Neighborhood Shopping Center Bays	No
Paving	No
Railroad Siding	No
Vaults	No

#### ADDENDUM NO. IV GARDNER, NORTH DAKOTA REAPPRAISAL TIME LINE

Date of this time line: November 20, 2014

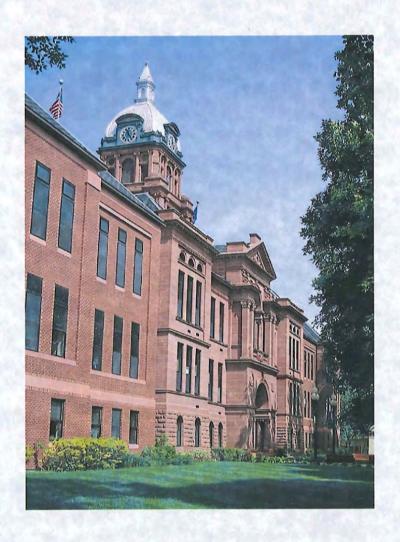
FUNCTION	IMPLEMENTATION DATE
Contract signed	
Director project coordinator assigned	01/01/2016
Vanguard project coordinator assigned	01/01/2016
Input guidelines established	01/15/2016
Map areas & PDF's determined/checked	02/01/2016
Parcels created	02/01/2016
Cards or copies delivered to VAI	02/15/2016
Maps delivered to VAI	02/15/2016
Routing of parcels	04/01/2016
Parcel sketch and input	04/01/2016
Permits, splits/combinations, class changes	04/01/2016
(delivered monthly to VAI)	
Listing guidelines established	04/15/2016
Field listing to start	06/01/2016
Land and sales research	06/01/2016
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This time line is a guide for certain contract procedures.

Exact dates may vary. Prior to the beginning of this project, as well as throughout the project, the timeline may be altered.

As the project progresses, we will work closely with director's office to insure an efficient and complete appraisal system that can be maintained for years to come.

# CONTRACT AND REAPPRAISAL SPECIFICATIONS FOR THE REVALUATION OF CERTAIN REAL PROPERTY IN NORMANNA TOWNSHIP, CASS COUNTY, ND





VANGUARD APPRAISALS, INC CEDAR RAPIDS, IOWA

Vacant Land

#### **CONTRACT SUBMISSION**

This contract is submitted this 20<sup>th</sup> day of November, 2014, by Vanguard Appraisals, Inc., executed by Robert P. Ehler, President.

Attached hereto are specifications for the revaluation of certain described property in Normanna Township, North Dakota, all of which are herewith a part of this contract.

All revaluation work shall be completed by January 15, 2017 in accordance with the attached specifications for the following prices.

<u>Class</u>	<u>Price</u>
Residential Improved Commercial Improved	\$145.00 Per Improved Parcel \$305.00 " " "
Licensed Grain Elevators, Large Commercial & Industrial	\$1,850.00 Per Site

The terms of this contract, including all specifications, shall be firm for acceptance prior to February 20, 2015.

VANGUARD APPRAISALS, INC.

\$15.00 Per Parcel

Robert P. Ehler, President

### **CONTRACT**

This agreement entered into this day of, 20, by				
and between Normanna Township, Cass County, North Dakota, executed by the Cass				
County Board of Commissioners, First Party, and Vanguard Appraisals, Inc., executed				
by Robert P. Ehler, President, Second Party, as follows:				
1. That attached hereto are specifications for the revaluation of certain				
described property in Normanna Township, North Dakota.				
2. That the First Party employs the Second Party, and the Second Party				
will perform all of the work described in all of the documents referred to in paragraph 1				
hereof, in accordance with the terms and conditions set out in said documents.				
3. That the First Party will pay the Second Party on a per improved parcel				
basis as set forth in item III of said specifications referred to in paragraph 1 of this				
contract, to be paid in accordance with the terms of the documents described in				
paragraph 1.				
VANGUARD APPRAISALS, INC. CASS COUNTY, NORTH DAKOTA				

BOARD OF COMMISSIONERS CHAIRPERSON

# REAPPRAISAL OF CERTAIN REAL PROPERTY IN NORMANNA TOWNSHIP, NORTH DAKOTA SPECIFICATIONS

#### I. PURPOSE OF APPRAISAL

This appraisal is made for the purpose of equalizing assessments in Normanna Township, North Dakota in compliance with the State Laws of North Dakota, and the rules and policies laid down by the North Dakota State Tax Department, as such laws, rules and policies shall exist on the date this contract is initiated.

The appraisal of all property shall be divided between land and buildings.

#### II. TERMINOLOGY

The word "Company" as used in these specifications shall mean Vanguard Appraisals, Inc.

The term "Director" means the Tax Director of Cass County, North Dakota.

"Improved parcel" as used in these specifications shall mean a single tract of legally described land area containing one or more improvements.

"Vacant lot" as used in these specifications shall mean a tract of legally described land area containing no land improvements, paving or structures.

"Site" as used in these specifications shall mean any parcel or group of contiguous parcels that have been combined into one operational unit.

Licensed grain storage facility (defined as a property with a commercial grain license) sites shall consist of any parcel or parcels that operate as a single grain elevator. Large commercial or industrial sites shall consist of any parcel or parcels with a gross building area in excess of 50,000 S.F.

#### III. PER PARCEL BID

Residential Improved
Commercial Improved
Licensed Grain Elevators,
Large Commercial & Industrial
Vacant Land

\$145.00 Per Improved Parcel \$305.00 " " "

\$1,850.00 Per Site \$15.00 Per Parcel

#### IV. APPRAISAL MANUAL

The company shall use the Vanguard Appraisals, Inc. Real Property

Appraisal Manual. All company personnel shall familiarize themselves with this
manual and attain a full and complete working knowledge of its schedules,
methods and procedures.

#### V. COMPUTER GENERATED VALUES

Commercial, residential and agricultural dwelling appraised values shall be generated utilizing computer software designed for use with the Vanguard Appraisals, Inc. Real Property Appraisal Manual. The purchase and service of computer hardware is not a part of this contract. The company shall furnish all computer hardware necessary during the reappraisal project. All computer software shall be purchased from Vanguard Appraisals, Inc. under separate contract with Cass County.

#### VI. COMPUTER GENERATED SKETCHES

A perimeter sketch of each major building and residential dwelling shall be generated utilizing computer software compatible with the pricing software.

All sketch software shall be licensed from Vanguard Appraisals, Inc. under separate contract with Cass County.

The sketches will not include details such as interior offices, mezzanines, vertical wall diagrams; or yard items such as garages, sheds, paving, or fencing.

#### VII. <u>DIGITAL PHOTOGRAPHS</u>

Each parcel of property covered under these specifications shall include as part of the property record, a digital color photograph of the principal building situated on the individual parcel.

The company shall be responsible for:

- 1. Purchase of digital camera.
- 2. Taking digital photographs in the field and listing digital photograph order on the organization sheet.
- 3. Transfer of digital photographs to VCS PhotoVision software.

The County shall license VCS PhotoVision software under separate contract.

#### VIII. OFFICE SPACE AND EQUIPMENT

The Director shall be responsible for all office space, desks and chairs for personnel of the appraisal company.

The appraisal company shall supply all computer hardware necessary for data entry during the term of the project and shall transfer all data files to the County's computer system upon completion of the project.

The company shall furnish all files and folders necessary to perform their work for the duration of the contract.

#### IX. RECORDS AND PLATS

The Director shall supply the company with updated and printed plat maps showing street names, subdivisions, block numbers, lot numbers and with lot dimensions displayed to scale at the beginning of the project for all platted areas within Normanna Township. The Director shall supply two overall printed maps of each town showing street names in Normanna Township in addition to the plat maps. The Director shall also supply one copy of the rural plat book for Normanna Township. The Director shall supply zoning maps (if available) of all zoned areas within Normanna Township.

The County shall be responsible for the cost of all maps. Any omitted properties, discrepancies or new additions platted shall be brought to the attention of the Director and both parties shall strive to correct all irregularities.

The company shall not be responsible for deed research, drawing in/drafting new platted areas or resolving platting discrepancies.

The Director shall supply the company with property split/ combination information, building permit information, and/or property transfers each month during the project.

The Director shall provide ownership, legal description, parcel number, classification, land dimensions, and plats for property split/combinations or added properties.

All transfer records and plat books of the Director's office, auditor's office and recorder's office shall be available to the company. However, plat books or transfer records shall not be removed from any office without permission of the principal of the office. The company shall be directly responsible for the proper return of all records when removed from its respective location.

#### IX RECORDS AND PLATS (Cont.)

The Director will provide the company with clear and readable photocopies of the existing property record cards for each parcel included in the reappraisal project. The company shall be permitted to input and/or transfer the perimeter sketch, measurements, ages, lot size, individual building construction data, and sales data from the photocopies of the existing property record cards provided by the Director. Parcel number, ownership, property address, legal descriptions and classification shall be transferred from the County computer system. Photocopies shall be of a quality acceptable to the company.

Said input and/or transfer work shall be performed at the company's home office. The County shall be responsible for transporting the photocopies of the existing property cards to the company home office.

If the County is unable to make photocopies the company shall do so for an additional hourly rate of \$40.00, plus the cost of shipping the records to and from the company home office.

#### X. <u>SALES RESEARCH</u>

The company shall conduct a sales study of each class of property included in the project prior to establishing any final appraisal values.

The company shall attempt to verify all sales data with the property owners as the project progresses.

Commercial properties shall also be researched from the income approach and correlated to sales prices when applicable. The Director shall be responsible for any mailing of operating statements.

#### X. SALES RESEARCH (Cont.)

The Director shall make available to the company all available sales data and supply the company with copies of all new sales occurring during the course of the project.

#### XI. INDEX ESTABLISHED (LOCAL MODIFIER)

When sufficient sales and cost data has been acquired, the company shall correlate current building costs with current selling prices of properties to establish the correct index percentage to the Vanguard Appraisals, Inc. Real Property Appraisal Manual.

#### XII. LOTS AND LAND VALUATION

The company shall follow guidelines from the sales research data and shall establish front foot or square foot values for all small tracts and platted lots within Normanna Township. The determined front foot or square foot values shall be entered on the computer and on the plat to be returned to the Director. All lot or tract dimensions shall be entered on the computer. From the frontage of each lot, the total lot value shall be determined. A predominant depth shall be set and tables in the manual shall be followed when applicable. Large tracts and lots shall be valued by the square foot or by the acre. All street, land, or lot frontage characteristics and irregularities shall be recorded and defined on the computer and adjustments applied where applicable.

#### XIII. RESIDENTIAL VALUATION

A careful inspection shall be made by a qualified field enumerator who will verify the measurements of each structure and list all pertinent data on a field worksheet. Construction data will include items of construction such as foundation, basement area, exterior walls, roof type and roofing material, floors, attic and basement finish, number of rooms, interior finish, heating and air conditioning, fireplaces, and plumbing.

Residential depreciation schedules shall be prepared upon life expectancies of various types of construction. In application of depreciation, careful consideration shall be given to physical, functional and economic obsolescence.

Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures. On those properties where entrance cannot be gained due to the occupant not being home, not less than three attempts shall be made to gain entrance for inspection of the property. The date and time of each attempt shall be noted on the worksheet. The company shall strive to gain entrance to all properties but in no instance shall there be more than 30% (70% entry rate) of the improved properties estimated.

#### XIII. RESIDENTIAL VALUATION (Cont.)

The inspection status shall be indicated on each field worksheet and limited to five (5) categories as follows:

- (1). Inspected (signature required)
- (2). Estimated (date and time of three (3) visits noted)
- (3). Outbuilding only
- (4). Refused inspection (Direct verbal or written refusal)
- (5.) Vacant dwelling

The rate of estimated properties is to be computed by dividing the number of estimated properties by the sum of estimated, inspected and refused inspection properties.

The company shall maintain records of the current overall estimated rate during the course of the project and submit a report to the Director upon request.

The Director shall be allowed to view any work in progress and to randomly verify, with the assistance of the job manager, with property owners that a complete inspection was performed and that measurements are correct.

At the completion of the field inspection, the field listing data shall be entered on the computer, priced using the Vanguard Appraisals, Inc. Real Property Appraisal Manual, and finally reviewed in the field by a review appraiser. See attached addendum no. II for basic residential bid specifications.

#### XIV. VALUATION OF COMMERCIAL

The same careful listing of the buildings by their component parts and use of depreciation schedules based upon construction life expectancies shall be adhered to as specified under "Residential Valuations".

The valuations of income producing properties, such as apartment buildings, which are largely dependent upon rental income for their value, shall be checked by the capitalization approach to value when applicable. Such income studies shall be for the purposes of estimating the amount of functional and economic obsolescence. The Director shall be responsible for mailing requests for operating statements. See attached addendum no. III for sketch specifications.

Machinery and equipment is not included as part of this contract.

The company shall strive to gain entrance to all properties but in no instance shall there be less than 80% entry. Property owners shall be asked to sign the field worksheet showing that they gave permission to inspect the interior of the structures.

The Director shall be allowed, at any time, to randomly verify with property owners that a complete inspection was performed and that measurements are correct.

#### XV. VALUATION OF INDUSTRIAL PLANTS AND GRAIN ELEVATORS

Plot plans of the properties, showing buildings in proper location and size shall be provided when warranted. The buildings shall be described by their component parts individually, priced at current replacement cost, and depreciated according to age, condition and function.

Records shall be typed, summarized, indexed and bound at the discretion of the appraiser.

Machinery and equipment is not included as part of this contract.

#### XVI. PERSONNEL

The company shall provide the services of personnel experienced and competent in the following fields:

Residential Land and Building Appraisals

Commercial Land and Building Appraisals

Industrial Land and Building Appraisals

A list of personnel working on the project shall be submitted to the Director, and this list will be kept current throughout the continuance of the project. The Director shall reserve the right to disapprove of the use of any person assigned and by written request require his/her removal from the project.

#### XVII. INFORMAL PUBLIC REVIEW

The company shall hold informal hearings with taxpayers so that each property owner will have an opportunity to view and discuss his property values with well-qualified company appraisers and make comparisons with that of his neighbor or any like property.

These informal hearings shall be held in an area designated and provided by the Director. The Director shall cooperate by making a public notification of these meetings, in consultation with the company, and schedule the interviews with taxpayers. After the hearings, the Director shall be responsible for sending official notices of any changes prior to the meeting of the Board of Equalization.

Compensation for all informal hearing services shall be performed at the rate of \$120 per hour (including travel time from the company home office), expenses included.

#### XVIII. CHIEF APPRAISER

It is the intent of the County Director's office to provide full cooperation to the company in its endeavor to complete the revaluation. The Director is responsible for the assessment of all taxable property within Normanna Township. As such, all of the company's work product and valuations shall be subject to final review and determination by the Director, chief appraiser.

#### XVIII. CHIEF APPRAISER (Cont.)

If the company has any procedural or administrative questions, they shall be directed to the Cass County Director of Equalization, or his/her designate.

Data files shall be retained by the company as documentation of the final revaluation as determined by the company until final payment is received by the company.

#### XIX. DEFENSE OF VALUES

At the request of the Director, the company shall provide testimony and technical assistance to support appraisals in hearings before the Board of Equalization during regular or extended sessions occurring in the year during which assessment based on the revaluation of property is made. The company shall further furnish expert testimony when necessary to support any appraisals that have been appealed to the courts and are filed during the first year after adoption of said values even though trials may not be held until after said first year. All defense of values excepting informal hearings, shall be at the rate of \$150.00 per hour (including travel time from the company home office), expenses included.

The company shall not be responsible for defense of valuations determined by the Director if significantly different from the valuation determined by the company personnel.

#### XX. PUBLIC RELATIONS

Prior to January 1, 2017 the company shall provide competent and experienced public speakers to appear before civic and property owner groups on property appraisals and revaluation techniques upon request at no additional charge to the County. The speaking engagement time and location shall be by mutual agreement and shall be coordinated with the company representative's schedule while working on the project.

#### XXI. RESTRICTIONS

The company shall not sublet this project or any part of it to any other person or firm.

There are no third party beneficiaries to this contract.

#### XXII. INSURANCE

The company shall save harmless and indemnify and also provide satisfactory liability and workmen's compensation insurance to save harmless all taxing authorities, the Director, and their offices, from proceedings, suits, and actions of any source or description resulting from the actions of its employees.

#### XXIII. SEQUENCE AND TIMING

The company shall begin work any time after the signing of the contract and all appraisals shall be completed no later than January 1, 2017; or 30 days after receipt of the last building permits, new parcels, splits, combinations or sales, whichever is later.

Upon completion of the final field review and prior to informal hearings, the completed computer data files shall be submitted to the Director for his/her approval.

#### XXIV. COMPLETION PENALTY

Should the company fail to perform all functions of this agreement by the date specified the County shall retain a portion of this contract as penalty for incurred damages in the amount of \$100.00 per working day beyond completion date.

Time extension shall be granted "only" to compensate for uncontrollable acts of God, civil commotion, riot or etc., or acts of the conference board, or Director, which are contrary to the customary progress of work outlined in these specifications, additional services performed, or changes in the procedures outside the specifications in connection with the reappraisal project.

This penalty for damages shall be withheld from the contract total or may be collected by action against the company or by any other available legal means.

#### XXV. RECONCILIATION

The Director shall be responsible for allocating value changes due to new construction, removal and classification changes for the January 1, 2017 assessment date.

#### XXVI. PAYMENT SCHEDULE

The company shall submit monthly billings showing the amount due for that period. A 10% retainage shall be withheld by the County until all work is completed. Full payment, including the 10% retainage, shall be due at the time all data files are submitted to the Director.

Payment of each monthly billing shall be due no later than thirty (30) days following the date of receipt. Should final payment not be received within the specified time, an interest charge at the commercial bank rate on the outstanding amount shall be applied to the next billing.

The County further agrees that failure by the County to make payments to the company as contract work is performed will result in the delay of the contract completion date until all delinquent billings are paid in full.

See addendum number I for contract costs.

#### ADDENDUM NO. I

# NORMANNA TOWNSHIP, NORTH DAKOTA PROJECT COST SUMMARY

#### Reappraisal Project:

Residential Improved	105	Parcels at \$145.00	Per Parcel	=	\$15,225.00
Commercial Improved	7	Parcels at 305.00	Per Parcel	=	2,135.00
Licensed Grain Elevators,					
Large Commercial & Industrial	0	Site at 1,850.00	Per Site		0.00
Vacant Land	35	Parcels at 15.00	Per Parcel	-	<u>525.00</u>
Total Project Estimated Cost					\$17,885.00

All costs are based upon parcels counts and information supplied by county officials. The final cost may vary slightly.

# ADDENDUM NO. II NORMANNA TOWNSHIP, NORTH DAKOTA BASIC RESIDENTIAL BID SPECIFICATIONS

These items will Not Be Listed, Sketched or Charged for:

Free Standing Fireplaces

Electric Eye (Auto Gar Opener)

Built-Ins

Stoops

Concrete Slabs

Patios under 60 SF

Decks under 60 SF

Roof/Canopy Less than 5'

Roof Overhang Less than 5

In ground Sprinkler System

Above Ground Pool and Deck around it

**Tennis Court** 

**Basketball Court** 

Dog Runs

Portable Sheds

Attic with Pull Down Stairs Only

Sheds Under 100 SF

Bay Window that is not part of living area. (Cannot walk into)

**Privacy Fences** 

**Driveways** 

Round Sketches to the nearest whole foot.

Round Basement Finish to nearest 25 SF (Do not exceed square footage of the dwelling and additions).

Plumbing will not be listed by floor.

Use the Standard VAI abbreviations.

Room counts will be listed as above and below ground.

Round Front, Rear and Depth to the nearest whole foot. Round acres to two places past the decimal point. Round land square footage to the nearest whole foot.

Agricultural outbuildings built before 1970 will not be priced with adjustments or additional equipment. Adjustments and equipment adjustments will be applied to free stall barns, egg laying buildings, hog confinements, hoop houses, steel utility buildings and steel grain bins regardless of age.

\*Suggested bid specifications only. These specifications shall be edited and approved by the Director or his/her designate.

#### ADDENDUM NO. III

## NORMANNA TOWNSHIP, NORTH DAKOTA

#### **COMMERCIAL SKETCH SPECIFICATIONS**

### Sketches Will Include the Following:

Perimeter Only	Yes
Interior Offices	No
Mezzanines	No
Coolers/Freezers	No
Penthouses	No
Finished vs. Unfinished Area	No
Mini Warehouse Partitions	No
Car Wash Bays	No
Neighborhood Shopping Center Bays	No
Paving	No
Railroad Siding	No
Vaults	No

# ADDENDUM NO. IV NORMANNA TOWNSHIP, NORTH DAKOTA REAPPRAISAL TIME LINE

Date of this time line: November 20, 2014

FUNCTION	IMPLEMENTATION DATE
Contract signed	
Director project coordinator assigned	01/01/2016
Vanguard project coordinator assigned	01/01/2016
Input guidelines established	01/15/2016
Map areas & PDF's determined/checked	02/01/2016
Parcels created	02/01/2016
Cards or copies delivered to VAI	02/15/2016
Maps delivered to VAI	02/15/2016
Routing of parcels	04/01/2016
Parcel sketch and input	04/01/2016
Permits, splits/combinations, class changes (delivered monthly to VAI)	04/01/2016
Listing guidelines established	04/15/2016
Field listing to start	06/01/2016
Land and sales research	06/01/2016
Land values established	06/01/2016
Manual and depreciation charts established	06/01/2016
Field review to start	08/01/2016
Field inspection complete	09/01/2016
Field review complete	11/01/2016
Final office parcel editing	12/15/2016
Parcels merged	12/15/2016
Project turnover	01/15/2017
Informal hearing dates established	02/01/2017
Director to send valuation notices	02/15/2017
Informal hearings held	03/01/2017
Values finalized in Township records	03/15/2017
County equalization meetings	04/12/2017
County adoption of Township values	06/01/2017
State adoption of County values	08/01/2017

This time line is a guide for certain contract procedures.

Exact dates may vary. Prior to the beginning of this project, as well as throughout the project, the timeline may be altered.

As the project progresses, we will work closely with director's office to insure an efficient and complete appraisal system that can be maintained for years to come.